



## 5. ECONOMIC DEVELOPMENT

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# CHAPTER 5: ECONOMIC DEVELOPMENT ELEMENT

## INTRODUCTION TO ECONOMIC DEVELOPMENT

CURRENT AS OF JANUARY 2018

Economic **Growth** could be considered the “natural” expansion of a community due to its location or unique attributes. Economic **Development**, however, can be defined as efforts that seek to improve the economic well-being and quality of life for a community by creating and/or retaining jobs and supporting or growing incomes and the tax base. Obviously, growing the tax base and creating jobs is important. A number of Texas cities either no longer exist or have declined over recent years, particularly in east and west Texas. There are other cities, however, that have grown so rapidly they have had difficulty keeping the quality of life that made them attractive to people and businesses. Weatherford must decide how much growth is desired, where that growth could best be supported and how much the community is willing to incentivize that desired growth. This chapter summarizes Weatherford’s historic economic growth, recent activities to diversify and encourage that growth and specific activities and policies for future economic growth and development that will enhance the character, vitality and prosperity of the Weatherford community.

## OVERVIEW

A community’s economic development (ED) involves both the City and the private sector since the majority of the funding and development involves investment by private property owners, businesses and developers. The City of Weatherford currently utilizes the Weatherford Economic Development Board (WEDB) to coordinate and provide economic development guidance to the City. The WEDB is appointed by the City Council and serves to advise and provide broad oversight of the ED activities of the City. Membership includes the City of Weatherford, Weatherford Utility Board, Weatherford Chamber of Commerce, Weatherford Independent School District, Weatherford College and the Parker County Hospital District. Working with the staff, it advises the City Council on Economic Development matters and reviews and recommends incentive packages to proposed private sector developments.

### WEDA Mission Statement:

Attract, assist and sustain quality economic development in the City of Weatherford that enhances the quality of life for our citizens while preserving our unique spirit and cultural heritage.

## STRATEGIC PLAN AND VISION

The Board recently expanded its role by adopting a Strategic Plan in 2016 with the WEDB's new Mission and Vision for Weatherford Economic Development Activities. Developed by Petty & Associates, Inc., the WEDB Economic Development Strategic Plan defines the vision and aligns the long-range plans of the Board and the City executive staff. It also examines existing economic development efforts to identify opportunities to advance the City's development objectives. Clear goals and measures to track progress provide more dynamic data to the economic development process and focuses attention on the results of economic development efforts. Economic Development and business attraction is the primary responsibility of WEDB and the City's Economic Development Department. It must also be strategically integrated into initiatives of the entire City organization, the Chamber of Commerce, the College District, the School Districts, the Hospital District and professional and civic organizations throughout the community whose responsibilities include promoting Weatherford. WEDB should play a central role in coordinating this team effort and

supporting the effort with measurable data. The full WEDB Strategic Plan can be found at [Insert URL](#) at future date.

The Policy Goals of the strategic plan for economic development in Weatherford can be divided into three main categories – Business Attraction, Business Development and Business Retention.

### **WEDA Vision:**

**Weatherford:** The regional leader in community and economic development offering an unparalleled environment to own and operate a business; is inviting in appearance, heritage and historic architecture, with ever improving economic vitality.

## BUSINESS ATTRACTION

Business Attraction involves the planning, strategy and process of identifying and attracting desirable businesses to Weatherford. Desirable businesses are those consistent with the strategic goals of WEDB and the City Council and compatible with the City's other strategic plans (Comprehensive/General Land Use, Utility, Thoroughfare, Parks and Open Space.). Business Attraction goals are best realized when they focus on attracting new businesses that can be served in a fiscally responsible manner by existing and planned infrastructure and city services. Incentives and business assistance must be accurately formulated and



empirical follow-up on new business attraction to understand the actual cost and benefit associated with business attraction.

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### BUSINESS DEVELOPMENT

Business Development involves identifying opportunities and removing obstacles for existing Weatherford business to grow and prosper. This is typically the most overlooked ED function because business attraction is generally more newsworthy. In most cities, however, growing and retaining existing businesses is the major economic engine for the community. Staying in touch with local businesses and making sure the business environment stays as healthy as possible is critical. Success is measured by the growth and expansion of existing businesses in Weatherford. Business development involves the Economic Development department, through its support organizations and team members, developing programs for periodic communication with existing businesses to identify their needs and provide useful assistance. Identifying tools to help their business grow is central to this effort as well as removing obstacles, including regulations that may be hindering success.

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### BUSINESS RETENTION

Business Retention is the effort to see that desirable businesses stay in Weatherford. Economic development is the most competitive aspect of municipal government, especially in a thriving area such as DFW. Businesses are constantly being lured to the greener pastures of another community by reduced operating costs, better employment conditions, lower taxes, and other incentives to relocate. Like business development, communication with the business community through a multitude of conduits and mechanisms is the key to retaining business. Businesses must feel they are part of the community and understand that the community wants to retain them and provide the best possible environment in which they can succeed. The best business retention efforts are similar to those for business development, but with additional tools and strategies designed to retain a business that is considering a move. These can include additional access to skilled labor, relocation opportunities and incentives within the community, or access to support business functions, such as the resources found in an incubator or a makerspace.



## HISTORY OF ECONOMIC DEVELOPMENT IN WEATHERFORD

From its establishment in 1856 as the Parker County Seat and its incorporation as a city in 1858, Weatherford has been considered the edge of the western frontier. The Comanche wars that lasted until the 1870's meant that Parker County was a western outpost of civilization. Since it was a jumping-off point, the economy was based on cattle drives, buffalo hides and serving the settlers brave enough to move west. Weatherford's trade area was basically Parker County (and those traveling through it) and products sold were either raised in the county or brought in on a wagon.

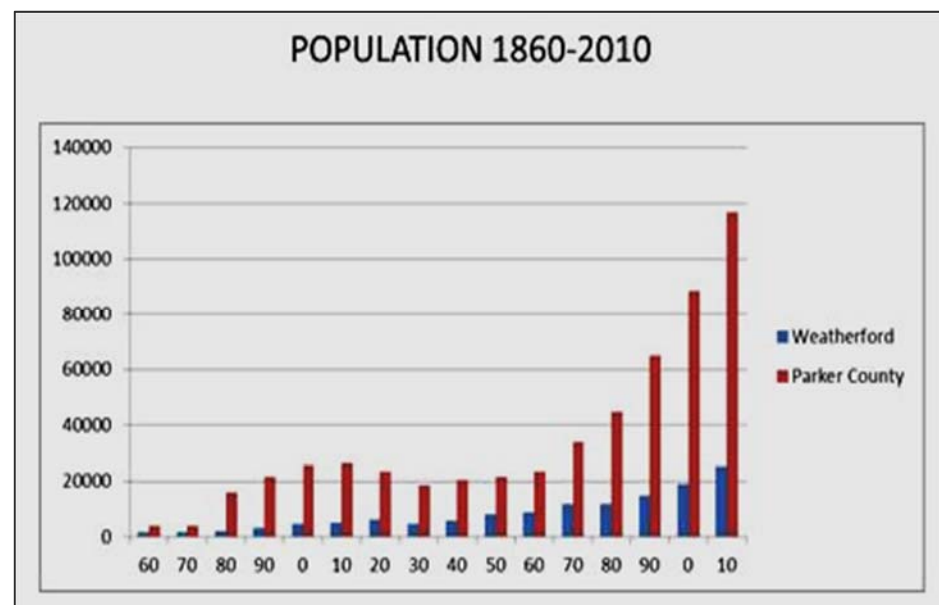


The arrival of the railroad in 1880 meant that agricultural goods and products could be shipped out. Manufactured goods and new residents could easily be brought in on the train. A whole new era of prosperity ensued – one that is reflected by Weatherford's heritage of Victorian homes and commercial buildings. Most of the historic downtown buildings were built during this era by prosperous merchants. The downtown became the economic center of Parker County and beyond. Once a month local farmers, ranchers, and merchants would come to Weatherford to buy, sell or trade their livestock, handmade items, produce, and other supplies to large crowds during the monthly legal trials at the courthouse at the "Stray Day" sale. Now known as First Monday, this monthly commercial event is still going strong after 160 years.



In the early 1920's, the Bankhead Highway (also known as Texas State Highway #1) was established through downtown Weatherford. The first all-weather trans-continental road, running from Washington DC to San Diego, became an important travel corridor for the next 30 years. A whole new industry was created in Weatherford to serve travelers along this route. The earliest travel-related businesses – overnight camps and blacksmith repair shops – gave way to motels and gas stations. There are numerous buildings downtown and along what became US 80 and later 180 that reflect this important era of development and prosperity. Eventually, in the early 1960's, traffic was moved to I-20 and the automotive and tourism industry shifted to I-20.

The impact of transportation on the population and economic growth of Weatherford and Parker County from 1860 to 2010 can be seen in Exhibit 5.1. The arrival of the railroad in 1880 created significant growth until the depression in the 1920's. Despite the Bankhead Highway, growth never recovered until I-20 and the prosperity of the 1950's and 1960's caused the growth trend which continues today.



*Exhibit 5.1 Population 1860-2010*

## RETAIL DEVELOPMENT

### IMPORTANCE OF RETAIL DEVELOPMENT TO WEATHERFORD

Weatherford and its residents rely heavily on retail businesses that employ citizens, provide shopping opportunities, enhance the quality of life and pay sales taxes. The City of Weatherford has been very fortunate to have a large retail industry that generates 40% of the general fund revenues that support on-going operations and capital improvements, more than most cities in the DFW region. A way to measure a community's retail balance is to consider whether it can be supported by its residents. If there is significantly more retail (existing or planned) than residents, citizens alone will not provide a sufficient market for the retail, leading to empty storefronts and less desirable uses in former retail buildings. If there is too little retail per capita, residents must go outside the community to shop, leading to 'tax leakage' and lower economic value in the community. The national average is 46 square feet of retail space per capita. In the DFW region, the current average is 52 square feet per capita. As discussed in Chapter 4, Weatherford today has an estimated 340 square feet of retail per capita which is significantly higher than the regional average. The regional retail located along I-20 supported by people from

outside the community plays an important role in this retail dynamic. Exhibit 5.2 shows the exponential growth in sales tax since the \$24 million installation of the I-20/Main Street frontage roads in 2009. The associated new retail growth resulted in an increase in the total annual city sales and use tax collection from \$2.9 million in 1995 to \$6.6 million in 2005 and \$11.2 million in 2015, a 400% increase over 20 years. The City's sales and use tax collection is predicted to total \$12,963,401 in 2017.



Exhibit 5.2 Annual Sales & Use Tax Trends



## RETAIL TRENDS

The historic timeline for retail has seen local corner stores give way to department stores and supermarkets, then to suburban shopping malls, then to discount chains and big-box retailers. These shifts unfolded faster than anticipated, and each has elevated new retailers and replaced incumbents. Malls are now on the decline and since 1990, 60 percent of the 10 largest U.S. retailers have fallen from their positions. The new trend reshaping the retail consumer landscape is mobile purchasing. Purchasing is moving from desktop and laptop to buying via phone or tablet and experts predict the shift to mobile devices to accelerate. However, while the advent of virtual retail outlets is changing the marketplace and forcing retailers to adapt, by 2025 a substantial percent of retail sales will still occur in brick and mortar stores. Projections for traditional retailers range from an optimistic 85% of sales to much lower percentages (Source: ICSC). Department stores and other large retailers like Best Buy have found that bigger isn't always better, however. The biggest store can't compete with the offerings of a virtual warehouse like Amazon that offers 48-hour delivery. Smaller stores can now provide same



day pickup of a purchase made from a mobile device. Accelerating the shift is a trend among consumers away from malls and back to traditional urban centers and smaller downtown "Main Street" type areas that offer an "enjoyable experience" but don't accommodate 40,000 square-foot storefronts. Some experts predict

that the future will involve storefronts for 'trying out' goods or having interesting experiences, with the actual sale occurring later via a mobile device. New outlet stores abound since today's brand-aware and cost-conscious consumer is an ideal outlet store shopper. For example, more than half of all Saks stores are now outlets, and Nordstrom opened 30 more Nordstrom Rack stores in 2014. The move toward locally sourced items has taken firm root in the food space; both in restaurants and at grocery stores, but now the trend is expanding into the broader retail space. More than a third of consumers during the 2015 holiday season planned to shop at small, local businesses, up from about 25 percent in 2012, according to Deluxe Corp. This shift reflects a growing demand for unique products and personalized service, as well as the awareness that shopping local can boost one's home economy. This trend is one that can benefit communities like Weatherford and supports the local businesses that are desired by residents.

## RETAIL TRADE AREA ANALYSIS

In anticipation of the rapidly changing retail trends and knowing the importance of retail development to Weatherford, the City hired an outside consulting firm for assistance. The Retail Coach, LLC, is a national retail analytics and locational intelligence firm that specializes in all aspects of retail market analyses and recruitment, from “macro to micro” trade area assessment. They actively recruit retailers on WEDB’s behalf and help market potential retail sites. Finally, they assist WEDB in creating a new website to make sure it properly promotes Weatherford’s retail potential and acts as an arm of the ED staff when it comes to finding and negotiating with retail prospects.

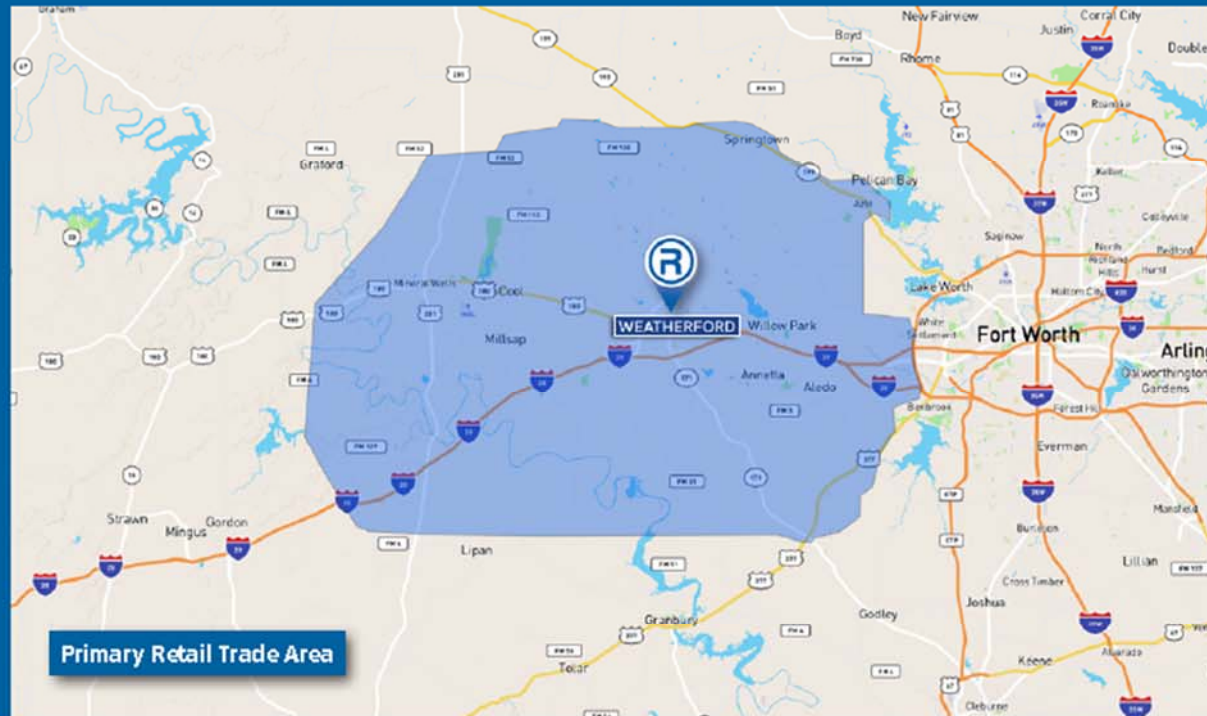
Retail Coach has completed an exhaustive analysis of Weatherford’s primary and secondary retail trade areas, the demographics associated with those trade areas and how the population base and buying power of those trade areas differ from Weatherford itself. By using the most innovative cellphone technology and analysis, visitors and shoppers in various subareas of Weatherford can be categorized as to

their point of origin. The analysis evaluated retail sales by business categories to determine retail categories where Weatherford may be overbuilt and those categories of retail that may be underserved, resulting in sales and sales tax leakage to adjacent areas. The results of the initial 2017 analysis are summarized here; this analysis will be updated regularly. Exhibit 5.3 shows Weatherford’s primary trade area and provides a summary of the characteristics of customers in this area, those customers that may visit and shop Weatherford on a regular basis. The primary trade area was limited to west of SH 820 in Fort Worth, even though Weatherford had shoppers from Fort Worth due to numerous retail alternatives. The analysis found the trade area’s population has grown substantially in recent years, from almost 160,000 in 2010 to over 176,000 in 2017. More importantly the buying power is significant because the 2017 estimated average household income in the primary trade area is almost \$90,000 per year compared to a 2017 average household income of slightly over \$77,000 for the City of Weatherford. This helps explain the increase in the amount of retail per capita in Weatherford.



## Retail Market Profile 2017

Exhibit 5.3 Primary Trade Area 2017



### Contact Information

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June 2017. All information furnished is from sources deemed reliable and is submitted subject to errors, omissions, change of terms and/or conditions. Prepared by The Retail Coach, LLC, a national retail consulting and market research firm. 800.851.0962.

### Population

	2000	2010	2017 ESTIMATE	2022 PROJECTION
Primary Retail Trade Area	118,974	159,648	176,557	189,452

### Income

	2017 ESTIMATE
Average Household	\$89,997
Median Household	\$68,259
Per Capita	\$33,422

### Educational Attainment

	2017 ESTIMATE
Graduate or Professional	7.68%
Bachelor's Degree	17.84%
Associate Degree	8.02%
Some College, No Degree	27.18%
High School Graduate	27.99%
Some High School, No Degree	6.92%
Less than 9th Grade	4.37%

### Race Distribution

	2017 ESTIMATE
White	87.82%
Black or African American	2.78%
American Indian/Alaskan	0.84%
Asian	1.02%
Native Hawaiian/Islander	0.05%
Other Race	5.20%
Two or More Races	2.28%
Hispanic or Latino (of any race)	14.49%

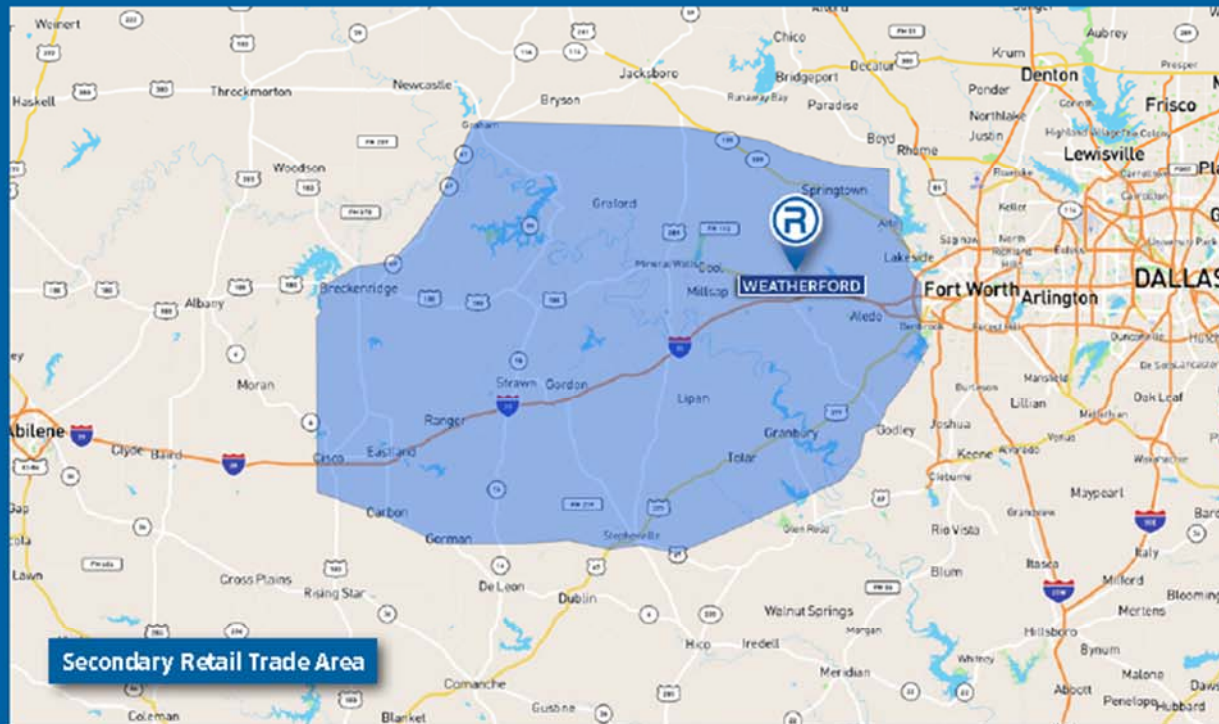
### Age

GROUPS	2017 ESTIMATE
9 Years and Under	12.76%
10-17 Years	11.61%
18-24 Years	9.06%
25-34 Years	11.47%
35-44 Years	12.07%
45-54 Years	13.68%
55-64 Years	13.75%
65 Years and Over	15.60%
DISTRIBUTION	2017 ESTIMATE
Median Age	39.2
Average Age	39.1



## Retail Market Profile 2017

## Exhibit 5.4 Secondary Trade Area 2017



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### Population

	2000	2010	2017 ESTIMATE	2022 PROJECTION
Secondary Retail Trade Area	269,518	330,240	361,255	385,399

### Income

	2017 ESTIMATE
Average Household	\$79,969
Median Household	\$58,476
Per Capita	\$31,329

### Educational Attainment

	2017 ESTIMATE
Graduate or Professional	7.24%
Bachelor's Degree	16.59%
Associate Degree	7.32%
Some College, No Degree	26.26%
High School Graduate	29.42%
Some High School, No Degree	8.21%
Less than 9th Grade	4.95%

### Race Distribution

	2017 ESTIMATE
White	86.77%
Black or African American	2.97%
American Indian/Alaskan	0.82%
Asian	1.00%
Native Hawaiian/Islander	0.07%
Other Race	6.12%
Two or More Races	2.25%
Hispanic or Latino (of any race)	15.44%

### Age

GROUPS	2017 ESTIMATE
9 Years and Under	12.23%
10-17 Years	10.85%
18-24 Years	10.04%
25-34 Years	11.53%
35-44 Years	11.36%
45-54 Years	12.67%
55-64 Years	13.66%
65 Years and Over	17.66%
DISTRIBUTION	2017 ESTIMATE
Median Age	39.7
Average Age	40.0



Just as importantly, Exhibit 5.4 shows the Secondary Trade Area. Customers from this larger area may visit Weatherford only two or three times a month to shop or dine. The analysis showed retail customers came from even further west but the results were limited to east of Cisco because Abilene would also compete for those shoppers. It is important to note that shoppers consistently come from as far away as Breckenridge and Graham to shop. While they may not shop in Weatherford as frequently and the average household income of \$80,000 is lower than that of the Primary Trade Area (and only slightly higher than that of Weatherford itself), this Secondary Trade Area is still a market area with substantial additional buying power because of its estimated population of 361,000.

A vital part of the retail trade area analysis is the “Primary Retail Trade Area Gap/Opportunity Analysis.” The Retail Coach firm analyzed aspects of current retail sales including

eating and drinking places. They estimated that the Primary Trade Area’s total potential retail sales are \$3.5 billion but that there are only actual total sales of \$1 billion. This means that \$2.5 billion of retail sales are being leaked to other retail areas outside of Weatherford’s primary trade area. The “Leakage Index” of total actual sales to sales leaked was 0.282. A Leakage Index over 1 indicates a category of retail or dining that may be overbuilt, an Index under 1 indicates an underserved market that may be able to capture additional retail sales. The analysis by individual categories of retail and dining indicating that only one category was attracting over the Leakage Index of one. “Other General Merchandise” stores (such as warehouse clubs), with an index of 1.4, were capturing an additional \$65 million over the estimated market potential. In nearly all other categories, the index showed substantial potential to capture additional retail, entertainment and dining sales. Of particular interest are these categories:

CATEGORY	POTENTIAL	ACTUAL	LEAKAGE	INDEX
Foodservice and Drinking Places	\$383,663,844	\$125,017,741	\$258,646,103	0.326
Full Service Restaurants	\$170,495,867	\$43,319,559	\$127,176,308	0.254
Supermarkets, Grocery (Ex Conv) Stores	\$374,765,005	\$91,646,910	\$283,118,095	0.245
Sporting Goods, Hobby, Book, Music	\$70,588,877	\$23,346,597	\$47,242,280	0.331
Clothing and Clothing Accessories Stores	\$153,782,913	\$38,052,980	\$115,729,933	0.247

Weatherford's economic vitality and sales tax revenues will be strengthened by development that brings more of the primary trade area's spending into businesses within the City of Weatherford. For more specific, detailed information, see the full Retail Coach analysis at (Insert URL at future date).

## RETAIL DEVELOPMENT

### RETAIL DEVELOPMENT AND PLACE TYPES

The Place Types used to depict Weatherford's future development include many opportunities for diverse types of retail. Retail uses are expected to be a significant share of the development and employees generated in areas identified for Commercial Center, Regional Activity Center, Historic Downtown and Entertainment Center. Retail is also included in the Suburban Living, Urban Living, Transit Ready Development, Mixed Use Center and Professional Campus Place Types. In these areas, retail is a secondary and supportive use for the major activities in the area.

### RETAIL LOCATIONS

The character of retail development at locations throughout Weatherford should achieve four objectives. First, it should be supported by market demand. Second, it should be planned to meet the needs of the projected growth in the

Weatherford community, not just the demands of today. Third, it should be designed in a way that can be adapted to new uses and retail formats as customer preferences and retail trends change. Finally, it should be compatible with surrounding uses and should contribute in a positive way to the desired character of the place in which it is located.

These objectives lead to very different retail designs in different locations within Weatherford. The appropriate retail for Downtown, its gateways and the corridors approaching it will be very different from the appropriate retail along I-20. The Citywide Issues, and the Land Use and Development elements provide direction for the retail uses and designs throughout the community.

## INDUSTRIAL, WAREHOUSE DISTRIBUTION

## INDUSTRIAL DEVELOPMENT EFFORTS



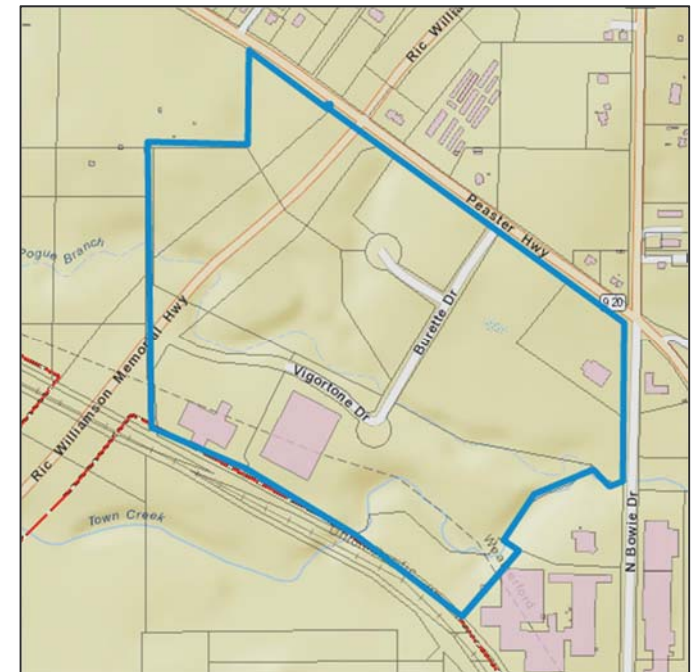
*Photo courtesy of Power Service Products, Inc.*

In 1955 a group of interested private citizens created/incorporated the “Weatherford Industrial Plan” for the “promotion,

marketing, and attraction to any area within Parker County” of

industrial prospects. It could “purchase, sell, and subdivide real property...for the use of manufacturing and industrial enterprises and to accumulate and lend money for said purpose.” It could also erect and repair buildings. Over the years the organization engaged in those activities. In 1988, its name was changed to the Weatherford/Parker County Economic Development Corporation. By 1992, the Corporation owned approximately 92 acres at the intersection of FM 920 and FM Highway 2421, adjacent to an existing industrial park and railroad. The Corporation worked with the City of Weatherford to subdivide, construct public improvements and plat industrial lots, which are still being sold for manufacturing and industrial uses. The location of the industrial park (originally named the Burette – Hobson

Industrial Park) was fortuitous as the Ric Williamson Memorial Highway was constructed through the property in 2011, providing it with much improved visibility and access. To date, the Hobson Industrial Park has sold over half its property to industrial users such as Power Service, Inc., Jamak Fabrication and Vigortone, with the balance (37 acres) for sale for industrial development purposes. The Weatherford/Parker County Economic Development Corporation, Inc. is managed by a 13-member Board of Directors that includes bankers, realtors and other prominent members of the economic development community. The Mayor and City Manager are also on the Board and the City provides staff support.



## INDUSTRIAL, MANUFACTURING, WAREHOUSE DISTRIBUTION TRENDS

Industrial manufacturers face an uneasy future. Global demand for manufactured products is growing at a snail's pace. Output is expected to increase just 3.1 percent in 2016 and 3.4 percent in 2017, according to the International Monetary Fund. Growth is dampened by Brexit concerns and political uncertainties. Foreign trade is at historically low levels, and, although oil prices have recovered a bit recently, they are not rising enough to undo the collapse in drilling and concomitant retraction in the rest of the energy supply chain. Attempts to reset trade agreements are being felt in the industrial manufacturing sector; manufacturers with plants in Mexico and China could see their business models decline quickly under the weight of increased import duties and tariffs. Many are taking a wait-and-see approach, delaying capital expenditure investments until more clarity on actual policies emerges.

Industrial manufacturers can best serve their customers (and themselves) by designing tools and equipment that improve the efficiency, costs, and performance of factories and other capital projects. They have an opportunity to profit from innovation strategies that build upon advanced manufacturing concepts and the potential of the industrial Internet. Industrial manufacturers must become more

aggressive and deliberate in their investments, focusing on developing technology platforms and new operating models that enable connected products and services and integrate their customers' operations. Efficiency and quality improvements are a given, but companies increasingly want visibility deep into their supply chains with connectivity tools that provide insight into production levels, inventory and capacity availability, quality levels, and order status from all their suppliers. Capital asset developers are seeking similar capabilities in dealing with the engineering and construction



firms that build their projects. There is opportunity here, yet the industrial manufacturing sector generally remains risk averse, unwilling to spend on new machinery, software, and talent during a period of protracted slow growth and limited proven solutions. However, there still may be localized opportunities in the worldwide growth where logistical advantages may favor Weatherford and these should not be



ruled out. <https://www.strategyand.pwc.com/trend/2017-industrial-manufacturing-trends>

While there are uncertainties about global industrial and manufacturing trends, the part of the industrial sector focused on warehousing and distribution of goods will continue to grow in areas where population and economic growth are strong. This is certainly true in the Dallas-Fort Worth region, where growth brings more consumers and businesses every year. The industrial businesses that focus on delivery of goods to these customers have strong prospects for success. Since Weatherford is located on a major transportation route at the edge of this growing region, warehousing/distribution provides an important economic development opportunity. This sector of industry has been experiencing significant growth in recent years. Total employment in the US warehousing and storage industry had been growing at a robust 6.3% year-over-year pace in early 2016 — much faster than the 1.8% growth rate for all US nonfarm jobs — and providing a strong follow up to the 8.4% growth experienced in 2015.

A major driver of growth in warehousing and distribution has been the rise of e-commerce and the shift toward online retail mentioned previously. The National Retail Federation reported that 44% of US consumers shopped online over the 2016 Thanksgiving extended weekend compared with 40%

who shopped in stores. To accommodate online sales, online retailers (such as Amazon) along with traditional retailers (such as Walmart) are reconfiguring their distribution systems.

Another factor promoting growth in warehousing has been the influx of international freight being handled via shipping containers. Freight traffic (imports and exports) handled by the 20 largest US ports increased 11% from 2008 (the last cycle peak) to 2015, reaching 31 million shipping containers. Warehouses are often located in urban areas, due to their proximity to ports (sea or air) and trucking routes, as well as to an urban population that can provide a supply of seasonal workers during the September to December holiday season.

A third driver of growth has been a trend of manufacturers and retailers to outsource their warehousing and logistics needs to third-party providers. As technology advances, third-party warehousing and logistics providers are increasingly able to offer services beyond basic storage. These value-added services include cross-docking, precise inventory management, advanced labeling and ticketing, and even order fulfillment and shipping.

<http://www2.staffingindustry.com/Editorial/Industrial-Staffing-Report/Dec.-15-2016/Trends-in-the-warehousing-and-distribution-industry>. The 80,000 square foot KEG1 Distribution Center located at 213 Patriot Drive and W. BB



Fielder Road in the new Weatherford Corporate Center Business Park that opened in 2014 is a prime example of fully automated warehouse distribution facility that is the future of the industry.

## INDUSTRIAL/WAREHOUSE DEVELOPMENT

### INDUSTRIAL/WAREHOUSE DEVELOPMENT AND PLACE TYPES

A significant share of Weatherford's industrial development is anticipated in the areas designated with the Manufacturing & Warehouse Place Type, where this use is dominant. Industrial and warehousing uses may be part of the development pattern in several other Place Types as well, including Employment Mix, Professional Campus and Aviation. Also, there may be some jobs characterized as industrial in areas designated for Agriculture. These jobs relate to the production or processing of agricultural products.

### INDUSTRIAL/WAREHOUSE LOCATION

Appropriate locations for these uses require ready transportation access for employees and for the large trucks that bring raw materials and finished products to and from these sites. Rail and air access are also assets for some industrial and warehouse businesses. Within the General

Plan, locations with the Place Types noted above include the Hobson Industrial Park, along IH-20 and in locations along other major arterials where they may be compatible with surrounding uses.

## EMPLOYMENT MIX AND PROFESSIONAL CAMPUS

The Employment Mix and Professional Campus Place Types emphasize jobs – they are intended to provide opportunities for businesses that are major employers or centers for particular business or industry sectors. They include professional and service jobs, as well as manufacturing and distribution. In today's economy, many corporations combine a number of these functions at a single building or campus – their executive offices, research and development, customer service and marketing functions may be located along with some part of their production and distribution operation. For this reason, many of the buildings in the Place Types provide “flex space” – building shells that can be converted between manufacturing, office and other uses and the company's needs change.



## ECONOMIC DEVELOPMENT INCENTIVES

Most cities use incentives to attract and retain desirable businesses. The incentives described below are available in Weatherford. Their use should support the development pattern described in this General Plan.

### TAX INCENTIVES

#### RETAIL INCENTIVES

Insert Retail Incentives as developed and approved by the Weatherford Economic Development Board and City Council.

#### INDUSTRIAL INCENTIVES

Eligible Industrial projects must exceed an added capital investment of \$10,000,000 and must add and maintain a minimum of number of new full-time employees unless otherwise approved by the City Council. Incentives may include tax abatements, Section 380 agreements, roadway and infrastructure participation, fee waivers, tax increment financing or other considerations as determined by the City Council. All incentives are subject to the review and approval of a Development Agreement by the City Council. Projects that receive Industrial Incentives from the City may forfeit those incentives if minimum investment and employment levels are not maintained. All Industrial Incentives require that electric service be provided by the City of Weatherford's Electric Utilities.

#### TAX ABATEMENTS/EXEMPTIONS

A tax abatement is the full or partial reduction from ad valorem taxes on newly added improvements and/or business personal property (not including land) for a specified period of time as determined by the City Council. Projects may also be eligible for an abatement or partial exemption of ad valorem taxes assessed by Parker County, the Parker County Hospital District, and the Parker County Community College District, each subject to independent and separate application and approval. Land sites or buildings located within a Tax Increment Financing District (see below) are ineligible to receive property tax abatements.

#### FREEPORT TAX EXEMPTION

The City Council may consider granting a tax exemption on certain eligible inventory leaving the state within 175 days. The exemption of Freeport property may be separately and independently approved by Parker County, and the Weatherford Independent School District. If all entities participate, it is referred to as a triple Freeport exemption in the ED community. The Freeport exemption is an important tool to encourage major industries and warehouse distribution centers to locate in a community.

## SPECIAL FINANCING OPTIONS

## TAX INCREMENT REINVESTMENT ZONES (“TIRZ”)

TIRZ’s are a financing tool authorized by Chapter 311 of the Texas Tax Code which may be used to finance public improvements and needed infrastructure within an area/district defined by the City Council. The funding source for the roadway, utility, drainage or other public improvements does not come from an increase in property taxes but rather from dedication of the additional tax revenues created by the new development that occurs as a result of these infrastructure investments. Parker County, Parker County Community College District and the Parker County Hospital District may participate in a TIRZ authorized by the City Council at any level and/or term approved by these respective entities, but they are not required to do so. The City Council establishes a TIRZ Board of Directors consisting of 5 to 15 members for each tax increment reinvestment zone and which must include representatives from participating entities. The City of Weatherford, in cooperation with Parker County Hospital District created Weatherford Reinvestment Zone #1 (See Exhibit 5.5) in 2016. The TIRZ is projected to finance \$32 million dollars of public improvements over 30 years with \$135 million in additional real and business personal property tax and an additional \$24 million sales tax from new economic development in the zone. The new property taxes would be generated by \$699 million of private improvements that would not occur without the public

improvements funded through the TIRZ. For example, Academy, Hobby Lobby and the new Honda Dealership would not be in Weatherford without the backage roads and other public improvements financed by TIRZ #1.

## PUBLIC IMPROVEMENT DISTRICTS (“PIDS”)

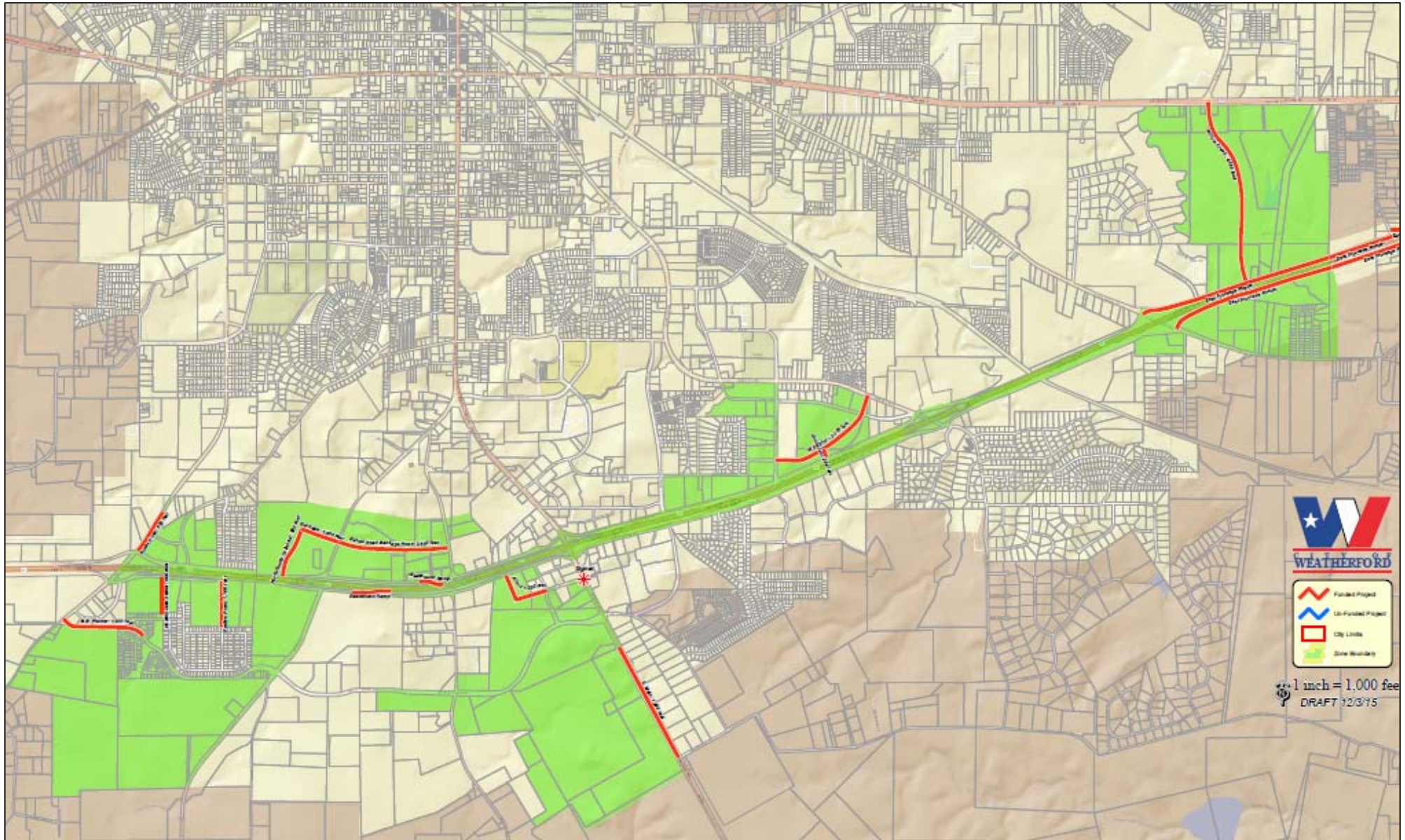
Authorized by Chapter 372 of the Texas Local Government Code, PIDs are special assessment districts created within a defined geographical area (District) in order to construct public improvements needed for new economic development. PIDs are a voluntary district that levy assessments against properties within the District to pay for specific improvements that confer a special public benefit to property owners within the District. PIDs are created and controlled exclusively and independently by the City Council and/or Parker County. There have been requests to create such districts and the City is in the process of creating a policy for when and where they may be created. Insert link to Public Improvement District approved policies when adopted. (Insert URL at future date).

## MUNICIPAL UTILITY DISTRICTS (MUD’S) AND OTHER SPECIAL DISTRICTS

A Municipal Utility District (MUD) is a political subdivision of the State of Texas authorized by the Texas Commission of Environmental Quality (TCEQ) to provide water, sewage, drainage and other utility-related services within the MUD boundaries.







TIRZ Exhibit 5.5 - Reinvestment Zone #1 For a larger map go to (Insert URL at future date)

A majority of property owners in the proposed district petition the TCEQ to create a MUD. After approval, an election is called to elect permanent Board members, to confirm the MUD's creation, and to authorize bonds and taxing authority for bond repayment. An elected Board of Directors manages and controls all of the affairs of the MUD subject to continuing supervision of the TCEQ. A MUD may adopt and enforce all necessary charges, fees, and taxes in order to provide district facilities and service. MUD's are funded through bonds, which property/homeowners pay off through a MUD tax. As the debt decreases, MUD taxes may also decrease over time.

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#### CHAPTER 380 ECONOMIC DEVELOPMENT PROGRAM GRANTS

Authorized by Chapter 380 of the Texas Local Government Code, 380 Grants authorize municipalities to offer direct financial incentives on a case by case basis which are designed to promote economic development. 380 Grants may include grants, loans or in-kind services to eligible economic development projects as determined by the City Council. Chapter 380 agreements that have performance parameters such as sales tax rebates and have been used in a number of recent important ED projects.

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#### NEIGHBORHOOD EMPOWERMENT ZONES ("NEZ'S")

Authorized by Chapter 378 of the Local Government Code, NEZs promote housing, economic development, and quality services in specific Weatherford neighborhoods. Municipal property tax abatements and fee waivers may be approved by the City Council on a case by case basis for property owners who build or rehabilitate property within a NEZ. These incentives are designed to promote affordable housing, economic development and expanded services. The two existing NEZ's are the Downtown NEZ and the Northside NEZ shown in Exhibit 5.6. The ordinances/criteria/policies may be found at: [Insert URL at future date](#)

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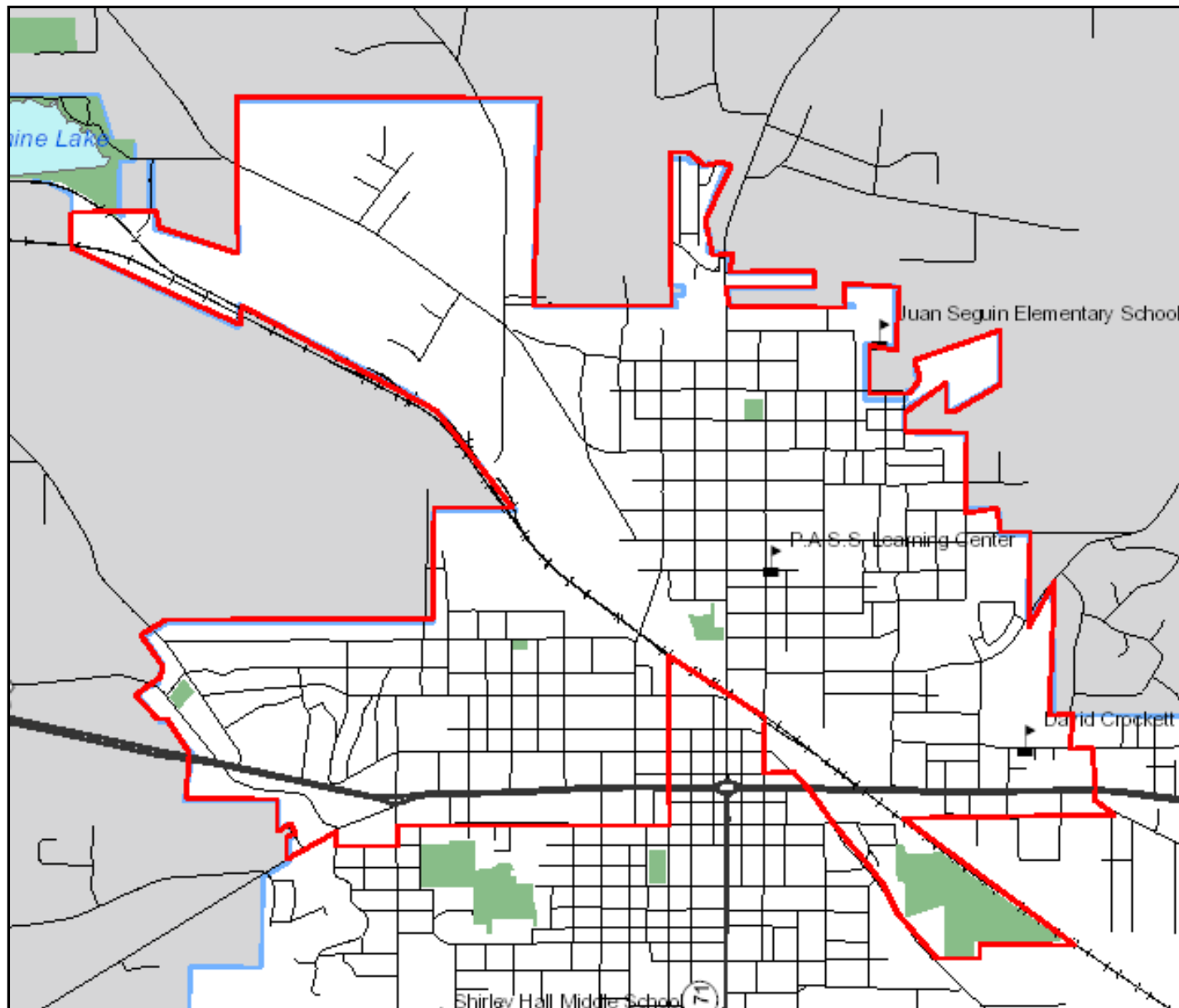
#### FAÇADE IMPROVEMENT PROGRAM

Aimed at helping local business in eligible areas improve their storefronts and curb appeal, a Façade Improvement Program promotes commercial revitalization and economic development in eligible areas throughout Weatherford, especially the historic downtown.

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#### MAIN STREET RESTAURANT INCENTIVE PROGRAM

This program is designed to encourage new development in the historic downtown area by promoting unique, one of a kind, sit-down restaurants. The Main Street Restaurant Incentive Program provides eligible restaurant projects with City supported financial incentives, fee waivers and in-kind assistance to further the development of downtown on a case-by-case basis.



*TIRZ Exhibit 5.6 – Northside Neighborhood Empowerment Zone For a larger map go to (Insert URL at future date)*



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### REVITALIZATION DEVELOPMENT

Revitalization Development sites are properties designated and approved by the City Council where expansion, redevelopment, or reuse may be complicated by potential or known hazardous substances, pollutants, or contaminants. Weatherford's Revitalization Development Program encourages the redevelopment of economically distressed areas in Weatherford through assistance with environmental assessment, remediation, and education.

### STATE INCENTIVES

The State of Texas provides a variety of incentives to support business and economic development. The programs summarized below are particularly relevant for Weatherford's future. For details on all Texas incentive programs, see state website for full details – Insert URL at future date

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### SKILLS DEVELOPMENT FUND

The Texas Workforce Commission provides eligible projects with local and customized training opportunities for Texas businesses and workers to increase their skill levels. In addition, Weatherford College and Weatherford Independent School District also work with other agencies to provide Workforce training.

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### TEXAS ENTERPRISE FUND (TEF)

The Texas Enterprise Fund (TEF) promotes job growth and investment in the state. The financial incentive is a grant for projects offering significant job creation and investment growth. The TEF is one of the largest "deal closing" funds in the nation and continues to bring a wide variety of industries and projects to the state. It is not used to move projects within the state or to enable Texas cities to compete with one another. The project must have significant local support, maximize the benefit to the State of Texas and realize a significant rate of return of the public dollars being used.

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### TEXAS ENTERPRISE ZONE PROGRAM

Projects can be nominated as an Enterprise Project under the Texas Enterprise Zone Program. A business designated as an enterprise project by the City and approved by the State would be eligible for the following incentives:

1. A refund of state sales and use taxes paid for building materials, machinery and equipment, electricity and natural gas purchased and consumed in the normal course of business depending on investment amount and number of jobs created/retained.
2. Further eligible items include tangible personal property purchased and consumed in the normal course of business and taxable services.



### STATE SALES AND USE TAX EXEMPTIONS

Texas businesses are eligible for state sales & use tax exemptions on leased or purchased machinery, equipment, replacement parts, and accessories that have a useful life of more than six months, and that are used in manufacturing, processing, fabricating, or repairing personal property for ultimate sale. Texas businesses are exempt from paying state sales and use tax on labor for constructing new facilities, purchasing machinery used for agricultural products and on electricity and natural gas used in manufacturing, processing, or fabricating personal property.

### ACCELERATED PLAN REVIEW AND PERMIT STREAMLINING

The City of Weatherford is continually implementing and refining streamlined development processes to reduce the time required to obtain construction permits and certificates of occupancy. In the competition with other large and small cities, it is important for Weatherford to fast-track this process for industrial and commercial projects during pre-development meetings, permitting and construction processes. The smaller review team in Weatherford allows for better coordination, dispute resolution, decision making and approval negotiation than most larger cities. A Development Advisory Committee, made up of private sector members of the development community, banking and financing institutions, engineers, surveyors and real estate

professionals has been created to review development ordinances, policies and incentives to ensure they facilitate quality development.

### ECONOMIC DEVELOPMENT POLICIES AND IMPLEMENTATION

The General Plan's Economic Development Policies, Actions and Investments are presented below. They are derived from the Weatherford Economic Development Board (WEDB) Board Strategic Plan adopted by the WEDB Board and City Council.

### ECONOMIC DEVELOPMENT POLICIES

- ED 01. Weatherford will use its planning and development regulations, economic development programs and incentives to encourage the location and expansion of businesses in Weatherford that offer a range of job opportunities and wage/salary levels that keep up with residential growth and create a diverse and resilient employment base.
- ED 02. In addition to working to attract new businesses and industries, WEDB will work with other departments and agencies to equally emphasize and support existing local business development and retention and improve the environment for small business startups and small business retention, particularly in downtown.



- ED 03. WEDB will utilize Economic Development tools and resources in the effort to attract new desirable residential uses, including quality townhome, multi-family and mixed-use developments in locations consistent with the General Plan that help accomplish the WEDB mission.
- ED 04. Weatherford's economic development programs and incentives should emphasize the attraction of companies that provide jobs with high salary/wage levels, sustainable career opportunities, and high employment and tax value per acre.
- ED 05. WEDB will seek to partner with the College District, School Districts and others to provide education and training to expand the skilled workforce and ensure Weatherford residents have the skills and expertise needed to participate in the workforce
- ED 07. Weatherford's historic Downtown is a priority for business attraction and economic growth, particularly in terms of restaurants, local boutique retail, offices, entrepreneurs and tourism.
- ED 08. Major employment centers, districts and sites should be located where they can be efficiently served by the local and regional transportation system, including multiple travel modes.

- ED 09. Weatherford should continue to encourage and increase the economic base of highway-serving retail at key intersections along I-20.
- ED 10. Weatherford's economic development programs and incentives should support the continued vitality of ranching and agriculture businesses in the city and its ETJ.
- ED 11. Downtown Weatherford should attract the support services, facilities and resources that support the success of Weatherford's ranching and agricultural businesses.
- ED 12. Weatherford should continue to encourage and support retail uses that are appropriate to the character of identified places throughout the community, including at designated Gateways, in mixed use areas and in locations that contribute to the continuing vitality of existing neighborhoods.

#### ECONOMIC DEVELOPMENT ACTIONS AND INVESTMENTS

This section identifies major initiatives or investments needed for economic development in the short term (usually a five-year period but this may vary if WEDB plan uses a different time horizon). The WEDB Board will be responsible for determining the appropriate timing of these projects and for



implementing them successfully. The following actions include recommendations to be considered by the WEDB Board and City Council as well as key projects. The actions contained in this general plan are color coded as either **Short Term** or **Long Term**. All others are important to the Water Utility. This list is not all-inclusive, and the reader is encouraged to contact the Department or refer to the documents listed below.

**Action 5.01 Refine Economic Development Strategy.** Annually evaluate and update the City's Economic Development Strategy and update it to effectively implement this plan. Include particular focus on retail, employment-generating, downtown and agriculture-related.

**Action 5.02 Create Value-Based Review Process.** Develop a value based review process that appropriately incentivizes priority development with performance measures and claw back provisions.

**Action 5.03 Emphasize Business Retention and Expansion.** Working with other organizations and city departments, develop a business retention and development program with measurable activity and performance criteria. The program should include routine visitation, tools and strategies to retain a business and identifying skilled labor sources and relocation opportunities in Weatherford warranting incentives.

**Action 5.04 Improve Downtown.** Implement programs and activities to improve the overall viability of downtown living, working, shopping, dining, and entertaining.

**Action 5.05 Downtown Association.** Continue to work with the downtown business owners' association (WDBAT), the Chamber and the Main Street Program to take the lead on Downtown events, activities, marketing and other enhancements.

**Action 5.06 Skills Training Partnership.** Create a partnership with the ISD's and Weatherford College to provide training programs in Weatherford that give Weatherford residents the skills needed for jobs with Weatherford businesses.

**Action 5.07 Finance New Infrastructure.** Identify sources of external capital to expand infrastructure and incentive infrastructure investment that will promote economic development.

**Action 5.08 Special Districts.** Use available tools (TIRZ, PID, P3, MMD, etc.) or identify other sources of external capital needed to fund infrastructure in designated special growth areas or create incentives for development.

**Action 5.09 Small Business Initiatives.** Partner with the Chamber to develop or enhance initiatives to support entrepreneurs and small businesses in Weatherford.



**Action 5.10 Technology Sector Initiatives.** Partner with the Chamber and others to make investments and do outreach to attract technology-related businesses and entrepreneurs to Weatherford.

**Action 5.11 Hotel Market Analysis.** Conduct a market analysis and feasibility study for hotels in or near Downtown Weatherford and at key intersections of the future Ric Williamson Highway.

**Action 5.12 Aviation-related Economic Development.** Develop a business plan for creation of an aviation-related

business park and a targeted marketing and recruitment strategy for aviation-related businesses.

**Action 5.13 Marketing to Residents.** Develop educational and marketing initiatives so more Weatherford residents are aware of Weatherford's historic, cultural and natural assets.

**Action 5.14 Utilize Updated Reporting System.** Develop a reporting system with meaningful metrics and a performance dashboard that quantifies and illustrates achieving the WEDB mission, vision and goals.

## CONTACT INFORMATION

CURRENT AS OF JANUARY 2018

Responsible Department      Economic Development  
Web Page

817.598.4279

KPegues@weatherfordtx.gov

Insert URL at future date when web site is complete.

## FULL ELECTRONIC COPY OF PLANS AND DOCUMENTS SUMMARIZED IN THIS CHAPTER:

2016 WEDB Board Strategic Plan

[Insert URL at future date](#)

2017 Adopted Incentive Policies

[Insert URL at future date](#)

2017 Retail Coach Community Retail Dashboard

<http://www.retail360.us/weatherford-tx/>

